Khadi and village industries in Uttaranchal

2109. SHRIMATI SARLA MAHESHWARI: Will the Minister of SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether khadi and village industries would be strengthened in Uttaranchal to make the women financially strong; and

(b) if so, what steps are being taken in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (SHRIMATI VASUNDHARA RAJE): (a) and (b) Industrialization is the specific responsibility of the concerned State Governments and the Central Government supplements the efforts of the State Govenments. The Khadi and Village Industries Commission (KVIC) provides assistance in the form of grants, interest subsidy, rebate, training, marketing etc. for promotion and development of Khadi and Village Industries throughout the country including the State of Uttaranchal. Under the Margin Money Scheme of the KVIC the margin money (subsidy) in Hill areas including Uttaranchal is provided at the rate of 30% of the cost of the projects as compared to 25% in other areas.

Promotion of small scale enterprises

2110. SHRI K. RAMA MOHANA RAO: Will the Minister of SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether it is a fact that a study group of the Planning Commission on small-scale enterprises recommended for continuing reservation for this sector;

(b) whether it is also a fact that the above group put some conditions that large units can take up production of reserved items with 30 per cent export obligation;

(c) the other conditions/recommendations of the group; and

(d) what infrastructural facilities Government are going to provide to the small scale sector during the current year?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (SHRIMATI VASUNDHARA RAJE): (a) and (b) Yes, Sir.

(c) The major recommendations of the study group include a three tier definition for small enterprises, a comprehensive law for the sector including simplification of procedures, continuation of reservation, selective enhancement of investment limit, creation of corpus for infrastructural development and incubation centres, improving flow of credit, through raising limit of composite loans, various financial and fiscal measures such as raising of excise exemption limit and other measures, schemes for technology upgradation, marketing etc.

(d) Government already provides infrastructural facilities for the small scale and tiny sector in the country through the Integrated Infrastructural Development Scheme (IID) which is being continued in the current year. This scheme has now been extended to all areas of the country with 50% reservation for rural areas.

Loans to SSIs

†2111. SHRI KHAN GHUFRAN ZAHIDI: Will the Minister of SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether Government propose to provide loans to the Small Scale Industries in proportion to their production; and

(b) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (SHRIMATI VASUNDHARA RAJE): (a) and (b) Yes, Sir. The Reserve Bank of India has advised all Banks to provide working capital limits computed on the basis of minimum 20% of the projected annual turnover to Small Scale Industrial Units requiring aggregate fund based working capital limits upto Rs. 5 crore from the banking system.

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†Original notice of the Question was received in Hindi.